



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

OFFICE OF THE
EXECUTIVE MAYOR

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Email: Sibongile.Tsoleli@mangaung.co.za

Room 101, Bram Fischer Building

Date: 30 May 2022

MEC: Free State Provincial Treasury
Fidel Castro Building
Private Bag X20537
Bloemfontein
9300

Attention: Me. G. Brown

RE: DEFERMENT OF COMPLIANCE WITH SECTION 16, 24 AND 28 OF THE MUNICIPAL FINANCE MANAGEMENT ACT: MANGAUNG METROPOLITAN MUNICIPALITY – 2022/25 MTREF ANNUAL BUDGET AND 2021/22 ADJUSTMENT BUDGET

Section 16 of the Municipal Financial Management Act stipulates that a municipality must approve an annual budget for the municipality before the start of the financial year.

Section 24 of the Municipal Financial Management Act stipulates that a municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

Section 28 of the Municipal Financial Management Act stipulates that a municipality may revise an approved annual budget through an adjustment budget.

The City approved the 2021/22 budget in May 2021, however as a result of new grants being received as per the DORA (Division of Revenue Act), there is a need to pass an adjustment budget in line with section 28 of the Municipal Finance Management Act. Further to that the City is unable to approve and adopt the annual MTREF 22/25 budget in line with sections 16 and 24 of the Municipal Finance Management Act. The City will be unable to meet the deadlines due to the following reasons:

- The municipality was without an accounting officer from 1 April 2022 until 20 April 2022.
- There was major disruptions, unrest, and instability during the last 2 months.
- A new national intervention team was appointed in the municipality on 20 April 2022, and they first needed to become familiar with the systems and operations of the city.
- Complaints from the DA, EFF, and other parties that they had insufficient time to make comments on the budget.

The City has developed an action plan in order to ensure that the Annual Budget and Adjustment Budget is adopted by Council on or before 3 June 2022 and 30 June 2022 respectively.

The municipality hereby informs the MEC for Finance (Free State Province) in terms of Section 27(3) of the Municipal Finance Management Act of the impending non-compliance with section 16(2) of the said Act and corrective measures that has been stated above. I hereby request the MEC for Finance to consider extension of time in line with section 27(2) of the MFMA.

Hope you will find the above order.



Cllr. M. Siyonzana
Executive Mayor

Date: 30/05/2022

CC : National Cabinet Representative
Acting Chief Executive Officer – Free State Provincial Treasury

SCHEDULE G

EXTENSIONS AND NON-COMPLIANCE WITH TIME PROVISIONS

APPLICATION FOR EXTENSION TO THE BUDGET PROCESS			
<i>Note: The application must be submitted to the MEC for finance by no later than 15 March</i>			
Name of Municipality:	MANGAUNG METROPOLITAN MUNICIPALITY		
1. State the relevant section of the Act and regulation for which extension is being applied.			
Section 16 and 24 of the Municipal Finance Management Act No. 56 of 2003			
2. State the revised completion date the extension is required.			
Processes	Legislated date	Number of days	Proposed Extension Date
Adoption of the annual MTREF Budget for 2022/25 in line with Legislation and National Treasury Guidelines	31 May 2022	3	3 June 2022
3. State how the proposed extension will affect the remaining legislated process and how compliance will be achieved with other MFMA timelines			
The extension will not have an impact as the Annual Budget (MTREF) has been completed and finalised including all inputs and funding assessment by National Treasury. The only outstanding part is for council to approve and adopt the budget.			
4. State the underlying reasons why an extension to a legislated timeframe is being requested. If the extension is requested for budget timeline extension, attach the municipalities approved time schedule including the dates that earlier processes have been undertaken.			

The process of finalising the annual (MTREF) budget was impacted and delayed by the following reasons:

- The municipality was without an accounting officer from 1 April 2022 until 20 April 2022
- There was major disruptions, unrest, and instability during the last 2 months
- A new national intervention team was appointed in the municipality on 20 April 2022, and they first needed to become familiar with the systems and operations of the city
- Complaints from the DA, EFF, and other parties that they had insufficient time to make comments on the budget

5. Detail the action plan that has been instituted to address the reasons for the legislated timeframe not being met.

<i>Reasons for delay</i>	<i>Action Plans to resolve</i>
See 4 above	- Meetings to be held with the dissatisfied parties to address their concerns - Acting City Manager to submit the annual budget to council for approval and adoption

6. Detail what corrective action has been or will be put in place to prevent a recurrence in future years.

<i>Reasons for delay</i>	<i>Action Plans to resolve</i>
See 4 above	The City has been placed under National Intervention and management will ensure that processes are complied with by the legislated dates.

7. Has an application for an extension to a timeframe been made previously?

<i>Date of application</i>	<i>State whether application approved or not approved</i>
March 2021 and February 2022	The applications were approved


Declaration:

I, Mxolisi Siyonzana hereby declare that:

1. The information submitted above is, to the best of my knowledge, accurate.
2. A copy of this application will be tabled at the next meeting of the Municipal Council subsequent to the submission of this application.

SIGNED:

DATE:



Mayor

30/05/2022

CONTACT DETAILS:

Mayor's Office Contact Details		
Name of contact person:		Cllr. M. Siyonzana
Telephone:	Code (051)	405 8015
Fax:	Code (051)	405 8787
Municipal Manager Contact Details		
Name:		Mr Tebogo Motlashuping
Telephone:	Code (051)	405 8621
Fax:	Code (051)	405 8108
Municipality's Postal Address		
P.O. BOX 370		
Bloemfontein		
Postal Code		9300

SCHEDULE G

EXTENSIONS AND NON-COMPLIANCE WITH TIME PROVISIONS

APPLICATION FOR EXTENSION TO THE BUDGET PROCESS			
<i>Note: The application must be submitted to the MEC for finance by no later than 15 March</i>			
Name of Municipality:	MANGAUNG METROPOLITAN MUNICIPALITY		
1. State the relevant section of the Act and regulation for which extension is being applied.			
Section 28 of the Municipal Finance Management Act No. 56 of 2003			
2. State the revised completion date the extension is required.			
Processes	Legislated date	Number of days	Proposed Extension Date
Adoption of adjustment budget in line with National Treasury directives	31 May 2022	30 Days	30 June 2022
3. State how the proposed extension will affect the remaining legislated process and how compliance will be achieved with other MFMA timelines			
The extension will not have an impact as this adjustment is to accommodate for the additional funding received in terms of the DORA. The annual budget has already been assessed for the impact of the adjustment budget and appropriated accordingly and therefore no impact is expected.			
4. State the underlying reasons why an extension to a legislated timeframe is being requested. If the extension is requested for budget timeline extension, attach the municipalities approved time schedule including the dates that earlier processes have been undertaken.			
The process of finalising the adjustment budget was impacted and delayed by the following reasons:			

- The municipality was without an accounting officer from 1 April 2022 until 20 April 2022
- There was major disruptions, unrest, and instability during the last 2 months
- A new national intervention team was appointed in the municipality on 20 April 2022, and they first needed to become familiar with the systems and operations of the city

5. Detail the action plan that has been instituted to address the reasons for the legislated timeframe not being met.

<i>Reasons for delay</i>	<i>Action Plans to resolve</i>
See 4 above	<ul style="list-style-type: none"> - Finalise the adjustment budget (All meetings with directorates and stakeholders have been held already and draft budget has been finalised) - Submit data strings to National Treasury for funding assessment - Acting City Manager to present to the Adjustment Budget to Section 80 Committees, Mayoral Committee, and the Budget Steering Committee

6. Detail what corrective action has been or will be put in place to prevent a recurrence in future years.

<i>Reasons for delay</i>	<i>Action Plans to resolve</i>
See 4 above	The City has been placed under National Intervention and management will ensure that processes are complied with by the legislated dates.

7. Has an application for an extension to a timeframe been made previously?

<i>Date of application</i>	<i>State whether application approved or not approved</i>
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Declaration:

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